The printed portions of this form, except differentiated additions, have been approved by the Colorado Real Estate Commission.	
(SSA38-10-11) (Mandatory 1-12)	

THIS FORM HAS IMPORTANT LEGAL CONSEQUENCES AND THE PARTIES SHOULD CONSULT LEGAL AND TAX OR OTHER COUNSEL BEFORE SIGNING.

SHORT SALE ADDENDUM

(Contract to Buy and Sell Real Estate)

0			Date:		
1					
2	1. ADDENDUM TO CONTRACT. This S	hort Sale Addendum (A	ddendum) is made a part	of the Contract	to Buy and Sell
3	Real Estate between Seller and Buyer (Contract)	dated	relating to the	sale of the Prope	erty
4					
5	known as				(Property).
6	Street Address	City	State	Zip	, , ,

This Addendum shall control in the event of any conflict with the Contract. Except as modified, all other terms and provisions of the Contract shall remain the same.

2. PURPOSE AND DEFINITIONS.

- **2.1. Purpose of Addendum.** Seller has debts secured by one or more liens on the Property. The Purchase Price may not be enough to cover payment for all the liens and costs of sale. If so, for the Closing to occur, the affected Lien Holders (§ 2.2 below) must agree to a Short Sale (§ 2.3 below).
- **2.2.** Lien; Lien Holder. A Lien is a recorded claim or lien against the Property, including, but not limited to, a mortgage, deed of trust, mechanic's lien, judgment or tax lien (Lien). A title insurance commitment may be used to show the Liens against the Property. A Lien Holder is a creditor who has a Lien and agrees to release its Lien in a Short Sale (§ 2.3 below).
- **2.3. Short Sale.** A Short Sale (Short Sale) is a transaction in which any Lien Holder releases its Lien against the Property and (1) accepts an amount less than the full amount Lien Holder claims is owed or (2) treats the debt secured by the Lien differently than as originally provided for in the evidence of debt (such as promissory note). Before a Short Sale can occur, Buyer, Seller, and each Lien Holder (except those creditors that are to be paid the full amount claimed) must consent to the terms of the sale. Sometimes, a Lien is released but the Lien Holder does not agree to release Seller from liability or reduce the unpaid portion of the debt, and the Seller and any guarantors will remain liable after Closing for that unpaid portion, despite the release of the Lien against the Property at Closing.
- **2.4. Short Sale Acceptance.** Short Sale Acceptance (Short Sale Acceptance or SSA) is when Seller receives one or more written statements, signed or approved by each Lien Holder, that specify the terms and conditions of the Short Sale.

3. MANDATORY DISCLOSURES TO SELLER AND BUYER.

- **3.1.** Lien Holder is not required to agree to a Short Sale. Even if a Lien Holder agrees to a Short Sale, a Lien Holder is not required to forgive repayment of the debt secured by the Lien or release Seller and any guarantors from liability unless Lien Holder's claim is paid in full. Seller acknowledges that Lien Holder may or may not agree to release Seller or any guarantors from liability to Lien Holder. If not released, Seller and any guarantors will remain liable to Lien Holder for any amount that remains unpaid after the Short Sale. To be binding, any release of liability by Lien Holder must be in writing, must be executed by Lien Holder, and must provide that Seller and all guarantors are released from liability.
- **3.2.** Lien Holder may condition its agreement on Seller doing any or all of the following to obtain a Short Sale Acceptance: (1) make a cash payment, (2) sign a new promissory note, (3) continue to owe the Lien Holder the unpaid portion of the debt and (4) agree to other requirements made by Lien Holder.
- **3.3.** If the Lien Holder accepts less than full payment, Seller understands that Seller may incur federal and state tax liability due to a Short Sale and understands that Lien Holder is required to file all required 1099 Forms with the Internal Revenue Service with respect to this transaction. Seller is strongly advised to seek tax advice regarding the potential adverse tax consequences to Seller of a Short Sale.
- **3.4.** Seller acknowledges that a Short Sale Acceptance by the Lien Holder will not necessarily repair or rehabilitate Seller's credit rating and Lien Holder has no obligation other than to fairly report this transaction to any credit rating agency.
 - **3.5.** Release of the Lien against the Property does not by itself release Seller or any guarantors from liability for the debt.
- **3.6.** Buyer acknowledges that the Short Sale Conditions (§ 4 below) may lead to termination of the Contract. The Short Sale process may result in delays in the Closing. Buyer is advised to consult with legal counsel about this Addendum and its legal effect.

- 3.7. Buyer and Seller acknowledge and agree that any Short Sale Acceptance by Lien Holder is made on the condition that none of the terms of the sale shall differ in any material respect from the terms submitted to the Lien Holder on which the Short Sale Acceptance was based. For purposes of the Contract, any change in the date of Closing, Purchase Price, real estate brokerage commissions, concessions or net proceeds to be paid to, or other remuneration to be received by Seller in connection with the proposed Short Sale shall be deemed a material change. Any material change will require that the Short Sale proposal be re-submitted to the Lien Holder for approval, which could result in delays for approval or even denial of the Short Sale.
- **3.8.** This Addendum should be signed by both Buyer and Seller at time of contracting, as most Lien Holders will not consider a Short Sale until a signed contract is received for their review.
- **4. SHORT SALE CONDITIONS.** Notwithstanding anything to the contrary in this Addendum, the Contract between Seller and Buyer, for the benefit of both Seller and Buyer, is conditional upon all of the following occurring:
 - **4.1.** Seller has received from each Lien Holder a Short Sale Acceptance that is acceptable to Seller.
- **4.2.** Agreement to Amend/Extend Contract signed by Buyer and Seller, so long as both parties agree, in their sole subjective discretion, to the changes to the Contract required by the Short Sale Acceptance.
- 5. SELLER DEADLINE FOR SUBMISSION TO LIEN HOLDER. Seller agrees to submit to each Lien Holder a request for a Short Sale and all documents and information requested by Lien Holder, including a copy of the Contract, any Counterproposal, this Addendum and amendments. The initial submission by Seller to each Lien Holder shall be on or before Initial Submission Deadline (§ 5.1 below). Any additional information or documentation requested of Seller by such Lien Holder shall be submitted within five days of such request or Buyer may terminate the Contract pursuant to § 8.2 below.
 - **5.1. Seller Submission Deadline.** The Seller Submission Deadline shall be as set forth below.

Event	Deadline	From
Initial Submission		days from MEC (§ 3 of Contract)

5.2. Seller Consents to Lien Holder's Release of Information. Seller consents that Lien Holder and its representatives
may supply and communicate any loan, financial information, or other information of Seller, confidential or otherwise, with any of
the following involved in the transaction and their representatives: Seller's attorney, Broker or Brokerage Firm working with
Seller, transaction coordinator, title insurance company, Closing Company, and the following as checked: Other Lien
Creditors 🗌 Broker or Brokerage Firm working with Buyer 🔲 Buyer 🗀 Buyer's attorney.

6. DATES AND DEADLINES.

6.1. Revised Dates and Deadlines and Other Terms. Buyer and Seller acknowledge that an Agreement to Amend/Extend Contract (Amend/Extend) is required to revise the Dates and Deadlines (§ 3 Contract) or other terms based on changes required by the Short Sale Acceptance. If both Buyer and Seller, in their sole subjective discretion, agree to the terms of the Amend/Extend, as evidenced by their signatures on the Amend/Extend then the Contract shall be so amended.

7. UNCERTAINTY OF SHORT SALE. Buyer and Seller acknowledge:

- **7.1.** There are no promises or representations regarding: (1) whether Lien Holder will agree to a Short Sale, (2) the terms of any Short Sale Acceptance, or (3) when the Lien Holder will advise of its decision to agree to a Short Sale or provide the written terms and conditions of the Short Sale Acceptance.
- **7.2.** Until Closing of the Short Sale, Short Sale Acceptance by the Lien Holder will not prevent, hinder or delay the Lien Holder from initiating or proceeding with any enforcement action, including but not limited to a foreclosure. In the event Seller loses ownership of the Property through foreclosure, the Contract shall terminate.
- **7.3.** A significant period of time may be required to determine if a Short Sale Acceptance will be granted. Therefore, Buyer should inform Buyer's lender of this fact for structuring Buyer's loan, duration of "loan lock", etc. Additionally, Closing is normally required to be held shortly following the Short Sale Acceptance.
- **7.4.** After a Short Sale Acceptance is given, Lien Holder will normally not agree to any additional changes to the terms of the Contract that differ from the Short Sale Acceptance, to have repairs performed or to reduce the amount it is willing to accept due to the condition of the Property or results of an inspection. Buyer may want to conduct an inspection of the Property before Seller submits its request for a Short Sale to Lien Holder. The Purchase Price should reflect the condition of the Property and results of such inspection. Buyer recognizes the risk that Lien Holder may not agree to the offer submitted by Buyer.
- 8. **DEADLINE FOR ACCEPTANCE OF SHORT SALE; TERMINATION.** Buyer and Seller must receive written notice of the Short Sale Acceptance on or before Short Sale Acceptance Deadline (§ 8.1 below) or the Contract shall terminate. Seller shall cause Buyer to receive a copy of the Short Sale Acceptance within one day of Seller's receipt of a Short Sale Acceptance from any Lien Holder or Buyer may terminate the Contract pursuant to §§ 8.2 and 8.3.2 below.

8.1. Short Sale Acceptance Deadline.

Seller

Event			Deadline
Short Sale	Acceptance Deadline		
8.2.			erminate the Contract, such termination shall be governed by § 25 of
	on written notice to the other		ed in § 27 of the Contract.
8.3.	Additional Rights of Ter		
			nay terminate the Contract if the terms and conditions from Lien Hol
			er, in Seller's sole subjective discretion, by Seller's written notice recei
by Buyer on	or before three days after the		
	8.3.2. Buyer may Ter	minate. Buyer n	may terminate the Contract: (1) as provided in § 5 (Seller Deadline
Submission	to Lien Holder) by Buyer's	written notice rec	eceived by Seller on or before Short Sale Acceptance Deadline (§ 8.1)
(2) if the ter	ms and conditions of any Ag	reement to Amend	nd/Extend Contract are not acceptable to Buyer, in Buyer's sole subject
discretion, b	y Buyer's written notice rece	ived by Seller on	or before three days after Buyer's receipt of Short Sale Acceptance.
8.4.	Early Termination	-	
	8.4.1. Not Applicable	This § 8.4 shall	not apply.
			ller have the right to terminate the Contract by written notice to the of
	o. i.z. Applicable. Bo		
party so lon		ore Short Sale Ac	cceptance. Additionally, Seller has the right to accept subsequent of
	g as it is received on or bef		
from other b	g as it is received on or befuyers prior to Short Sale Acc	eptance without l	liability to Buyer.
from other b	g as it is received on or bef	eptance without l	liability to Buyer.
from other b	g as it is received on or befuyers prior to Short Sale Acc	eptance without l	liability to Buyer.
from other b	g as it is received on or befuyers prior to Short Sale Acc	eptance without l	liability to Buyer.
from other b	g as it is received on or befuyers prior to Short Sale Acc	eptance without l	liability to Buyer.

Seller

Date

SSA38-10-11. SHORT SALE ADDENDUM (Contract to Buy and Sell Real Estate)

Date